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AUG 18 1977

U.S. DEPT. OF AGRICULTURE
OFFICE OF AUDIT

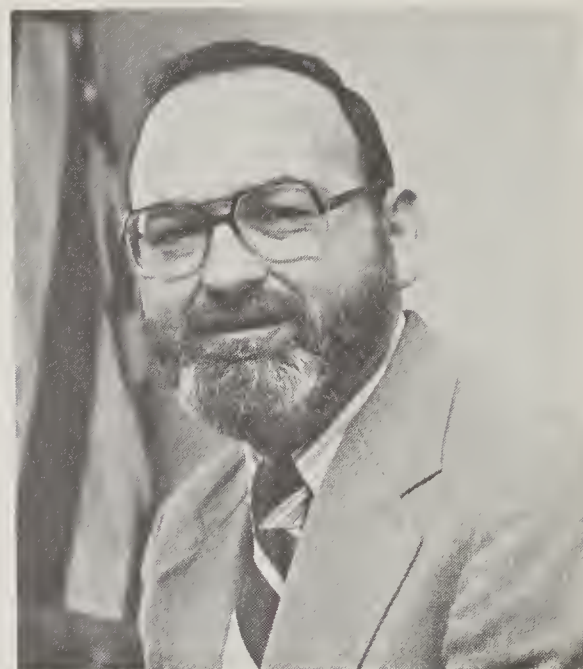


AUGUST 1977

OFFICE OF AUDIT
U.S. DEPARTMENT
OF AGRICULTURE

NINE/NINE

"Nowadays most people expect an electric eye to open the door of opportunity." (REA Missouri News, 1967)



LEONARD H. GREESS

Director

The word "professionalism" habitually stimulates thoughts of quality — quality in preparation to serve, quality in dedication to service, quality in the improvement of that service.

Professionalism is rooted in, and sustained by, a body of specialized knowledge. That body of knowledge must be kept up to date—examined, tested, enlarged, refreshed.

It is not enough to be professionals who would serve with unquestioned adequacy; we must be professionals of unquestioned competency. Achieving such competency requires study, research, discipline, and devotion.

It is time-consuming!

It requires commitment!

We cannot "declare" our professionalism; we must earn that recognition. We can't earn that recognition as an organization unless each staff member has earned that recognition as an individual.

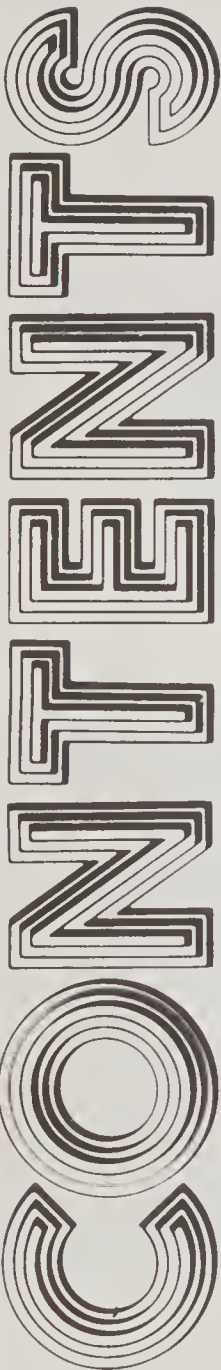
We have done this. But having established a reputation, individually and collectively, of which we can justifiably be proud, is not enough. We need to pursue a systematic and continuing program of progressive professionalism that will increase our ability to serve, and sustain our image of quality.

We must press forward with fresh, imaginative programs designed to bring meaningful achievement and personal satisfaction. In turn, we can expect additional success and perpetuation of our place among the leading professional audit organizations in the country.

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Articles on accounting, auditing, investigations, law enforcement, management, personnel, human relations and experiences and related subjects are invited. Submit directly to: The Editor, Robert J. Hopkins, PULSE, Office of Audit, U.S. Department of Agriculture, Washington, D.C. 20250.

Except where otherwise indicated, the articles generally express the views of the authors and do not necessarily reflect an official position of the Department of Agriculture or the Office of Audit.



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This issue of PULSE is dedicated to the concept of professional growth.

Ca-reer...4a:

a profession for which one trains and which is undertaken or a permanent calling.

De-vel-op..

....4b: to expand by a process of growth.

Ca-reer De-vel-op-ment:
the continuous process of developing a permanent calling.

CAREER DEVELOPMENT

THE CERTIFIED INTERNAL AUDITOR AN EXTRA DIMENSION IN PROFESSIONALISM

—Donald J. Nelson

The professional is an individual involved in a chosen career requiring advanced education and training, and involving intellectual skills. This description implies that professionalism is a personal matter since advanced education and training are continuous. There are many avenues to self-development—reading professional magazines and articles, training courses, participating in professional organizations, and obtaining professional recognition through certification as a Certified Public Accountant (CPA) or a Certified Internal Auditor (CIA). Let's discuss the relatively new CIA certification since it deals solely with our profession. The following are frequently-asked questions and answers about the CIA.

- What is a CIA?

The CIA has been granted professional recognition to show proficiency and competency in areas of knowledge common to the internal auditing profession.

- Why become a CIA?

Two reasons. Self-improvement—that is, the personal gain from the study and self-discipline required to become qualified.

And professional recognition—the deep personal satisfaction and professional recognition of having reached the highest level of competency in your field.

- How do you become CIA?

To obtain the designation "Certified Internal Auditor", a qualified candidate (at least three years work experience in internal auditing) must pass a written examination based on the COMMON BODY of KNOWLEDGE for INTERNAL AUDITORS.

- What is the COMMON BODY of KNOWLEDGE?

The COMMON BODY of KNOWLEDGE, adopted in 1971, is divided into four parts for study purposes. They are:

- I Principles of Internal Auditing
- II Internal Auditing Techniques
- III Principles of Management
- IV Disciplines Related to Internal Auditing

- What are *some* specific areas of knowledge?

I Principles of Internal Auditing

—The nature of internal auditing, with particular emphasis on the reason for the function; the concept of independence and objectivity; and the importance of objectivity and constructive auditing opinion.

—The effective but economical planning needed to provide complete audit coverage and provide reports to management on a concise but complete basis which takes into account the practical aspects of cost versus risk.

—Internal Control

Computer Controls

Systems Development Controls

Organizational Controls

Procedural Controls

II Internal Audit Techniques

—Auditing the Functions of the organization

—Behavioral Sciences

—Computer Concepts

—Systems Development Controls

—Quantitative Methods (Sampling Techniques)

III Principles of Management

—The Auditor and His Environment

—Communications

—Management Process of: Planning, Organizing, Staffing, Directing, and Controlling.

IV Disciplines Related to Internal Auditing

—Accounting

Elementary Accounting

Financial Accounting

Cost Accounting

DONALD J. NELSON is the Regional Director, Northeast Region, Hyattsville, Md.

Accounting for Management Planning
and Control

—Economics

Elementary Macro-Economics
Elementary Micro-Economics
The Monetary System

—Quantitative Methods

Probability Theory
Regression Analysis
Linear Programming
Simulations
Inventory Management

• How does an auditor prepare for the exam?

The Institute of Internal Auditors has prepared a study guide to be used in preparing for the exam. Many chapters of the Institute have prepared a CIA review course. The courses are conducted by local chapters or through local universities. The fees for the courses vary, so you should contact your local Institute chapter for more information. After your first year of employment, the Office of Audit will pay for the CIA review course. Exam questions and suggested answers for 1974, 1975, and 1976 are available for \$2.50 each. Write: Institute of Internal Auditors, Altomonte Springs, Florida 32701.

What are other exam particulars?

—There are four parts to the exam as previously

discussed in the COMMON BODY of KNOWLEDGE.

—The same exam is given throughout the United States, usually in the Spring, and takes 2 days.

—Examination sites are university campuses or other suitable locations. Every attempt is made to assign candidates to convenient locations.

—Candidates must sit for at least two parts in the initial sitting. Failure to pass all four parts within a span of five successive examinations will disqualify candidates. They may reapply at future dates.

—Registration fee (one time only) is \$10. Exam fee is \$40 per part, per sitting.

As with any endeavor in life, the benefits to the individual are no greater than the effort he or she puts into it. The CIA designation recognizes a level of achievement which results from individual study and preparation. The on-the-job application of the increased knowledge and understanding of COMMON BODY of KNOWLEDGE of Internal Auditing obtained through CIA designation has certain rewards. They are: more thorough and competent audits; and, practical and meaningful suggestions for management improvement. Of course, the tangible rewards of promotion and advancement opportunities will be much greater. But perhaps, the greatest reward is the self-satisfaction of knowing you, the auditor, had a direct influence on program improvement through *increased results*, *dollar savings*, or *better management* by taking the initiative to grow with your profession. □

MORE

People tend to learn from failure. When success arrives, however, they don't ask why and they don't try to learn from it. They go home and tell their wives how smart they are.

The head of the mail room or the chief telephone operator may hold your destiny someday. Figure out who's important to your effectiveness and then treat him (or her) that way. It wouldn't hurt to assume, in short, that every man—and woman—is a human being, not a rectangle (on an organizational chart).

It's about eleven times as easy to start something as it is to stop something. But ideas are good for a limited time—not forever. Dr. Robert Sobel, Associate Professor of History at Hofstra University, says that the British created a civil-service job in 1803 calling for a man to stand on the Cliffs of Dover with a spyglass. He was supposed to ring a bell if he saw Napoleon coming. The job was abolished in 1945. □

(UP THE ORGANIZATION by Robert Townsend,
Fawcett Publications, Inc.)

THE ROLE OF THE COMPUTER SPECIALIST IN THE OFFICE OF AUDIT

—Warren A. Seitz

During the last year, four computer specialists have joined the Office of Audit staff. In the coming months, three more will be added at the Regional level. For the most part, these individuals are not acquainted with the audit function, nor do they have the prerequisite accounting courses to be auditors. However, they can and will be given the opportunity to play a valuable role in internal audit. The question now becomes: "What is the role of the computer specialist in the Office of Audit?"

ONE

First, the computer specialist can join with the auditor to form a team which can effectively conduct an audit of ADP installations and applications (hardware and software systems). The auditor will have at his disposal a trained computer professional who can provide ongoing technical assistance and guidance. But, for the present, the auditor should also consider that the computer specialist requires assistance and guidance in performing and learning the audit function.

Nevertheless, this team can perform audits, with more indepth coverage, which may have been previously bypassed or performed in a limited manner due to lack of expertise. For example, assume that an auditor has analyzed an automated decision-making activity, such as an inventory reordering system, and tentatively concluded that reorders are being incorrectly (or fraudulently) made. By working with the auditor, the computer specialist can develop a test strategy to determine if the conclusion is correct and, perhaps, determine whether or not the incorrect reorders were intentional. Or consider the case where the auditor has been informed that an ADP system has appropriate controls and is processing data accurately. Again, the computer specialist can assist the auditor by establishing criteria for validating system controls and performance.

..... TWO

Second, as the "state-of-the-art" in the data processing world has advanced, it has become more economical (and practical) to use the computer for record-keeping systems. Manual records systems are fast becoming a thing of the past. The widespread use of Cathode Ray Tube (CRT) data entry devices has significantly reduced paper records systems. This trend will continue at a rapid rate during the next 10 years. In fact, there are those who would predict that in the next 10 years all "hard copy" will disappear.

Not only are record systems fast giving way to automation, but the trend is to automating entire functional libraries. Thus, in the near future, it will be common to find agency policies, regulations, and directives stored in the computer and retrieved via CRT.

In the world of banking and finance, Electronic Funds Transfer (EFT) systems are under development and in some areas have already been implemented. These type systems provide unlimited opportunities for abuse. Stories of computer-related crimes have just scratched the surface. Therefore, auditors must have the capability and knowledge to insure that such systems are well organized and effectively controlled. The day is upon us now where we continue to find that the traditional methods for conducting an audit are no longer viable. The auditor will have to use the computer (audit through the computer) to perform an effective audit. The computer specialist will work with the auditor to identify parameters for use in conducting data base analyses. When an auditor determines that an automated system is used to support a program or functional area, the computer specialist can assist in developing specifications for retrieving selected data from the system and using the computer to analyze the information.

Third, when the auditor is required to interface with a data processing manager or department personnel, the computer specialist can perform several services: 1) Translation of data processing jargon and acronyms into language and concepts that the auditor can comprehend; 2) Translation of audit questions into ADP terminology; 3) Establishment of the credibility of the audit function in ADP systems by guiding the auditor into productive areas that can produce significant results; and 4) Defense of audit findings on ADP systems during conferences with ADP professionals by clearly demonstrating expertise in ADP systems technology.

Naturally, this is not an exhaustive explanation of the ADP professional's role in AO. There are other potential roles in training, computer abuse, ADP system monitoring activities, and consulting. In subsequent issues of PULSE, these individual areas will be covered in greater depth.

The Financial Management and Automated Systems Division (FM&ASD), Washington, D.C., is prepared to provide assistance to all regions for any audit in which an ADP system is encountered. Each auditor, through regional management, is encouraged to contact FM&ASD. The FTS number is 8-447-3163. Try us out, you will find us eager to assist. □

WARREN A. SEITZ *is a Computer Specialist, Financial Management and Automated Systems Division, Washington, D.C.*

RE: FELDSPAR HEARTS

This item appeared in Staff Management Notes (Army Audit Agency, European Region) on November 9, 1956.

Elbert Hubbard once wrote: "The typical Auditor is a man past middle age, spare, wrinkled, intelligent, cold, passive, noncommittal with eyes like a cod-fish, polite in contact, but at the same time, unresponsive, cool, calm and as damnable composed as a concrete post or plaster of Paris cast; a human petrification with a heart full of feldspar, and without charm or the friendly germ, minus bowels, passions, and sense of humor.

"Happily though, they seldom reproduce—and all of them finally go to Hell."

Today the picture has changed somewhat. Today's auditor must be a well-educated and able gentlemen with a very thorough knowledge of all phases of business activity. He is the eyes and ears of management; he protects management and must be able to tell management about adherence to established policies as well as about deviations from policies.

Elbert Hubbard's auditor limited his activities to the financial phases of a business operation with accuracy of cash and bank balances uppermost in his mind. Today's auditor performs this function as only a small part of his total activities. The major part of his work deals with functions beyond strictly fiscal matters. He studies and makes recommendations with respect to procedures, policies, staffing, efficiency of total operations. He is an important aid to management.

Almost 21 years later we are still trying to convince people—interesting! □

THE FREEDOM OF INFORMATION ACT— IMPLICATIONS FOR AUDITORS

—Francis A. Naughton

Of all the legislation passed in recent years, The Freedom of Information Act (FOIA) has perhaps had the most widespread impact upon Federal agencies. The Act was passed in 1966 and went into effect in 1967. The Act was intended to remove much of the secrecy from Government operations by making many Federal records available to enforce its implementation. However, many Federal agencies were less than diligent in fully complying with the spirit and intent of the Act.

Consequently, Congress amended the Act in 1974 to add the missing "teeth". Among the principle amendments were: (1) specific provisions for handling public requests and appeals of denied requests, including deadlines for agency response, and (2) possible disciplinary action in those cases where the court finds that a Federal official may have acted arbitrarily or capriciously in denying a request. These amendments went into effect in February 1975.

In addition, there have been a number of court cases that have clarified the extent to which Federal agencies can or cannot withhold records from public disclosure.

Prior to the Act, the Office of Audit considered audit reports to be exempt from public disclosure. Until the Act was amended, we continued to hold that public release of our reports was discretionary, and requests were often denied. However, the Department's General Counsel advised us, based on the results of FOIA court cases, that our reports contain little information that is exempt from public disclosure. Consequently, we have honored most of the requests received for audit reports since February 1975.

Our contact with other Federal audit agencies indicates that most of them also make public release of their reports upon request. Although the FOIA contains several exemptions, the Justice Department encourages Federal agencies to follow a policy of fullest possible disclosure. As a result, the Departments and other major agencies of the Executive Branch have generally adopted a policy of applying exemptions only where it is clearly in the public interest to do so. Most of the exemptions are specific (e.g. to prevent unwarranted invasion of privacy), and those which were not specific have been interpreted by the courts. Court interpretations

permit withholding non-factual portions of Federal records from the public (e.g. audit opinions, conclusions and recommendations), but legal counsels generally insist that this exemption be applied only where the need to do so can be clearly demonstrated.

Increase in Requests

The amendments to the Act have resulted in an enormous increase in public requests for Government records. The Office of Audit has shared in this experience, mainly in the form of a significant increase in requests for audit reports. In 1974 we received only 15 requests. In 1975 we received 67 requests and made public release of 80 reports. In 1976 there were 98 requests and 158 reports were released. The upward trend has continued through the first five months of 1977. We expect the trend to continue upward as more people become aware of the Office of Audit as a source of information about USDA programs.

These requests come from a number of sources, mainly the news media, members of Congress, private business and law firms that have an interest in USDA programs. We consider requests from members of Congress to fall under the Act if they come from someone who is not a chairman of a committee or subcommittee that has a direct interest in the subject matter of the requests. This is because such requests are often made on behalf of constituents.

All requests received in USDA for OA audit reports are to be referred to the assistant Director, Policy and Resources. Any denials of initial requests may be appealed to the Director, OA. This policy is set forth in the Code of Federal Regulations (7 CFR 2710), Title 10 of the Administrative Regulations, and in Chapter 2150 of the OA Manual.

The Impact of Public Release

First I would like to point out that the FOIA generally affects OA and other Federal audit agencies differently than it affects other Federal agencies. The

FRANCIS A. NAUGHTON is the Director, Policy and Procedures Division, Washington, D.C.

FOIA requests received by most Federal agencies are for records about their own operations. Most requests received by the audit agencies are for audit reports which are usually critical evaluations of the programs and operations of others, including other offices or agencies of the parent Department, State or local governments, contractors and the like. Public disclosure of these reports can place the audit agency in an awkward situation.

Our main concern is the adverse affect that public release of our reports may have on our relationships with the agencies that we audit, and with top level Department officials. In a number of cases, our reports have resulted in criticism by the news media of the administration of USDA programs. This criticism can be embarrassing or politically damaging to the Department, especially when the news media handled these situations in a sensational or self-serving manner, as is sometimes the case. For example, one newspaper had large headlines and a cartoon proclaiming “scandal” in one of our international programs, where no scandal existed. Another had a page-wide headline citing “fraud” in a local Food Stamp Program, where the audit report showed only one case of “indicated fraud” involving \$278. A recent Congressional news release used terms such as “mismanagement” and “maladministration” which went considerably beyond any conclusions stated in the reports we had furnished the Congressman. The newspapers, of course, picked up this release, and some of their reporting got further distorted—making the situation appear much worse than it actually was.

Under the Act, we have no control over what people do with our reports once public release is made. Even when the criticism is handled fairly and objectively, the Office of Audit has been placed in the position of providing the ammunition.

At best, we believe this situation may result in reduced cooperation by those we audit. It is only natural that there will be greater reluctance to freely provide us with information that may end up in the news media—perhaps being reported in an exaggerated manner. So, our job may become more difficult by our having to work harder to get the facts.

Actions to Reduce Impact

There are some things that can be done to help alleviate this impact:

- we review all requested reports in detail to determine whether there are sensitive matters involved and whether any of the exemptions provided by the Act apply;

- all requests for reports are immediately coordinated with the appropriate agency. We do this partly to keep them informed and partly to obtain their input regarding whether any of the exemptions of the Act apply;
- in all cases, we notify the agency when a report is released;
- in sensitive cases, we may also notify the appropriate Assistant Secretary, or even the Secretary, of a request and seek their counsel as to whether an exemption should apply;
- we also include the agency’s reply with the report if it is available and if it shows the agency in a better light, providing the agency concurs with our doing so. Where practical, we may delay release of a report until the agency’s reply is available.

In this regard, we recently emphasized in a meeting with high-level agency management officials the need for them to help insure that prompt corrective action is taken on audit reports. The potential for public criticism is diminished where we can show that positive action has been taken to correct or improve the reported conditions.

- We also emphasized to these officials that they have a responsibility to help insure that the auditors have obtained a complete and accurate picture of the conditions reported. This should be done in discussions while audits are in progress, at exit conferences and, where appropriate, in written responses to draft reports or draft findings. This will help avoid internal disagreements that may end up in the news media.
- We have adopted a policy of eliminating names from audit reports to facilitate avoidance of unwarranted invasions of privacy in those cases where reports are made available to the public.
- Furthermore, we have emphasized to all our professionals that it is more important now than ever (1) that the facts we report are correct and complete; (2) that superfluous data is excluded from our reports; (3) that auditees’ views and actions are determined and fully considered; (4) that the tonal quality of our reports reflects maximum consideration of our auditees; and (5) that our conclusions and recommendations are logical, fair, and reasonable.

Draft Reports and Working Papers

The General Counsel has also informally advised us that draft audit reports that have been furnished to

auditees, and even our working papers, may be subject to public release if requested. Presumably, these documents would be subject to the same ground rules as formal reports. That is, factual portions which are separable from exemption material would have to be disclosed. Furthermore, they may be subject to release in their entirety, at least to the extent that withholding cannot be justified as in the public interest.

To date, we have received no requests for draft reports. We have received some requests for working papers, which we denied under one of the exemptions of the Act. So far, no one has challenged these denials. However, it seems to be only a question of time until such a challenge occurs.

The Office of Audit is working with the Federal Audit Executive Council (comprised of the heads of the Federal audit agencies) to seek the support of the Department of Justice Freedom of Information Committee for exemption of draft reports and working papers in their entirety. We believe that these documents are an integral part of the internal operating procedures and decision-making processes of the Federal audit agencies and, therefore, fall within the scope of two exemptions of the FOIA. We think we have a good case, but there is no guarantee that Justice or the courts will agree.

In the event it is determined that working papers are subject to disclosure, it may be necessary to involve the Regional Offices in the review process,

i.e., the determination of what is exempt and what is not. It would not be feasible for Headquarters to review large volumes of working papers, particularly since many questions are likely to arise that could only be answered by those who performed the audit work.

Part of the answer to this potential problem is to do a highly professional job in conducting our audit work, and compiling our working papers and report drafts. We should exclude data which is unnecessary or frivolous. If we do the job well, the potential for criticism and controversy will be lessened.

Summary

The Freedom of Information Act is the law of the land. It provides the public an avenue for much greater knowledge of Government operations than previously existed. Audit reports have no more protection from public disclosure than do any other Federal records. The same may be true of draft reports and working papers.

There are certain steps audit agencies can take to reduce adverse impact of public disclosure, but these efforts must be within the law. We can best protect ourselves by keeping auditee and management officials informed of requests for information that concern them by developing their understanding of our situation and by performing all aspects of our work in a professional manner. □

EDITORIAL POLICY REVIEW BOARD

Darrell E. Fleming, Deputy Director

Robert E. Miller, Assistant Director, Operations

LISTENING AND

. . . Opposite Sides



For communication to be effective, listeners have responsibility for what might be described as *intake*. And most speakers appreciate sensing that their listeners do not finish the task of intake prior to completion of the presentation.

However, we have all developed some *horrible listening habits*. And in many ways, these habits simplify completion of the intake portion of the communication process long before most speakers are finished.

Look over the horrible listening habits described below, and see if you recognize any of them as being present in your spouse, your boss, your fellow workers . . . or even yourself?

Wasting the differential between speech-speed and listening-speed. Since it is possible to listen to speech at three to four times the pace at which most people speak, our brain is forced to down-shift. In most instances, the result is rebellion . . . rebellion by tuning in thoughts other than being addressed by the speaker, which frequently leads to a complete “tuning out” of the message.

Calling the subject uninteresting. Bad listeners do this as soon as the subject is announced . . . and most speakers make it rather easy for the listener to continue this train of thought

Criticizing the speakers’s appearance or delivery. This frequently starts as soon as the speaker approaches the front of the room, and continues thru the entire presentation. And it goes without saying that it negates reception of the message.

Listening only for facts. This is much easier than understanding ideas. Facts are like brush strokes in a painting . . . focus on the strokes and you miss the overall picture.

Tolerating or creating distractions. This extends from not closing a rear door, if there is noise in the hall, all the way to private conversations with the person sitting next to you.

Avoiding technical or difficult material. As a nation geared to watching “not too challenging” TV, we are prone to expect the same “not too substantive” information from our speakers.

Allowing emotion-laden words to throw us out of tune. Such words have different effects on different people at different times. In 1948, “Truman” had a far different effect on people than the name does today.

There is no question that most of us will recognize the presence of some of the above habits in our own personalities. Recognition in itself is important, as it is only *after this step* that any constructive procedure or activity can be started.

All of us can improve our listening habits, and the result can be fruitful. The Greatest Teacher of all addresses this in the Fourth Chapter of Mark: “If any man have ears to hear, let him hear . . . and unto you that hear shall more be given.”



SPEAKING . . .


Of The Same Coin

For communication to be effective, speakers have responsibility for what might be described as *output*. And when giving a presentation, how gratifying to know that your listeners have not finished their task before you have completed yours!

However, in all too many instances, speakers make it very easy for listeners to finish first, and early in the race. And sometimes we are so engrossed in *our* task . . . we never even notice it!

The suggestions below present a few ideas on how to counteract the horrible habits of most listeners. But more important, they may start you on the trail of having listeners that listen.

LAURENCE E. OLEWINE is a consultant in human resource development, having retired from the Department of Defense last year. Among his many duties with DOD, he served as the focal point for both friendly and allied nations studying Defense Decision Making Processes and designed and conducted a wide variety of seminars and symposia.



To control *extended excursions* by your listeners, the most basic approach is to give them something of utility, and to have them realize this early in your presentation. The name of the game is to challenge their slack time . . . tough, but possible. Audience participation is a good tool . . . rhetorical or actual questions, a show of hands where they take a position, and, perhaps best of all, long pauses on your part.

A subject made *interesting* is always more appealing. There is no such thing as a dull subject, only dull speakers. Try stories, humor, sincerity, enthusiasm . . . and even brevity.

To negate criticism of *style*, dress appropriately, perhaps even on the conservative side. Walk to the lectern with authority, and deliver your message with enthusiasm. And by all means, deliver something of utility to your audience.

Place major emphasis on your *ideas*. When using facts to support your ideas, let the audience know exactly what you are doing, and why. But emphasize the ideas as important.

Don't create additional *distractions* . . . speak loudly and clearly. If people are talking, stop . . . pauses are powerful. Ask the audience to close doors, seat late-comers, etc.

Make your material as *simple to understand* as is possible. Have it well organized, and proceed from a base that is familiar. Use visuals to let them "see what you mean."

Eliminate *emotion-laden words* by screening your presentation against a detailed audience analysis. You might also seek out other emotion-laden words that will not only invite attention but perhaps make your presentation more effective.

If you want your listeners to follow all of your message, it will have to have utility for them. And they will have to recognize this utility early in the presentation. To provide such utility, you will have to analyze your audience to know their needs.

Never lose sight of the fact that the key to success in any presentation is really not what the speaker presents. Much more important, and the true measure of accomplishment, is what the listener understands. This makes for a very interesting ball game . . . think about it.

AUDITING IN AN ADP ENVIRONMENT

—William C. Montoney

The growing use of ADP equipment has had a great impact on the auditing profession. From the very introduction of computers, audit staffs have studied its effects on audit trail and management controls. Since more and more of the data and information audited is being stored in computers, we in the Office of Audit will continue to be faced with audit management decisions that are influenced by an ADP environment. Whether to audit "through" or "around" the computer and the effects of an ADP environment on audit have become an integral part of audit planning and execution. Following are some thoughts and ideas on how an ADP environment, if properly understood, can also become an audit environment.

Audit Planning

The same advantages of speed, reliability, and storage capacity that make computers desirable for information handling also make them convenient tools for the auditor. Efficient use of the computer techniques can reduce audit time and cost, and, at the same time, increase the coverage given in the evaluation process by providing access to machine records.

The computer can be used in basically two areas: first, to test the information processing system; second, to test the actual data (compliance testing and substantive testing respectively). In the first instance, the computer can be used to process test data against existing programs to determine whether these programs and their related procedures produce predictable results. In the second instance, the computer can be used to process test extensions and footings, to select and print payments, to select and print audit samples, to compare duplicate data and to compare audit data with agency records.

Use of computers to perform certain testing functions has become so widespread that many agencies have developed generalized programs for such use. As with any good tool, these generalized audit packages have been adopted for use, not only by the auditors, but also by agencies themselves for abstracting management data and formulating it into special reports.

Computers can be used to perform a wide variety of routine clerical tasks rapidly and efficiently. They can be used to scan all records within a file for internal consistency, completeness, and validity. This means that all records can be examined as opposed to merely a sample. Computer programs are used to

analyse the records in an agency file, to search for attributes in which the auditors are interested, or to scan the data records for irregularities. The auditor can, at the same time, be producing exception reports that he can then examine in detail. In this way, routine items can be handled quickly, allowing him to spend his time pursuing or investigating in depth those items that are unusual.

The areas in which the computer does not have a particularly promising potential are those in which the judgmental criteria cannot be explicitly defined, but instead depends upon certain qualitative factors for a combination of items that can only be assessed by the auditor in the execution of his professional judgment. Similarly, in those areas where the volume of data to be reviewed is small or the relative importance of the item is too small to justify the cost of preparing processing programs, or procedures, the use of the computer may not be justified on the basis of benefits received for costs incurred.

Frequently, the speed and accuracy of computers can lower the cost of examinations sufficiently so that the auditor can use the computer to extend the scope of his review and increase his level of confidence without substantially increasing the amount of time or expense required to do the work. The speed and accuracy of computers make the accumulation of additional information both practical and economical. Certainly, as a minimum, the computer should remove the restrictions previously imposed by the amount of clerical work required—but even further, the computer should open up additional analytical opportunities.

WILLIAM C. MONTONEY is the Division Director, Rural Development Division, Washington, D.C.

Auditing Around the Computer

The approach of auditing around the computer is based on the premise that the techniques and procedures employed in processing the data are relatively unimportant as long as the results produced can be satisfactorily verified. It assumes that tests comparing selected, audited input with output will prove the reliability of the internal controls in effect within the system. The audit proceeds by manually selecting actual transactions that have been previously processed, tracing those transactions from the source documents through whatever intermediate records exist to the output reports or records produced. The rationale for this approach is that if the source information can be proven correct, and if the results of the processing actually reflect the source information, then the output must be correct and the manner in which the processing occurred is of little consequence.

In those instances where the processing done by computer represents a very small part of the total information processing activity of an agency, the risks of failing to recognize potential errors or weaknesses within the processing system itself is relatively small. Yet for many agencies today, the computer plays a significant role in the information collecting and processing operation. In these circumstances, the auditor cannot ignore the existence of the computer and even though he tests around the computer, he should make an evaluation of the organizational, administrative, and procedural controls exercised over the computer. This becomes particularly important in systems where the computer begins to move from a function that is limited solely to maintaining records of human-initiated transactions and balances into the kinds of activities involved in initiating transactions, such as when the computer performs important control functions. An example would be a perpetual inventory control program that continually calculates the balance on hand as material distributions are recorded and automatically recognizes reorder points, prepares purchase requisitions, and/or orders without direct human intervention.

Auditing Through the Computer

The through-the-computer approach uses the computer to obtain information about the operation of the programs and the controls built into the system. The basic premise here is that the results of a data processing system can be accepted if the input data

are validated and found to be acceptable. While this method requires the verification of source transactions, it emphasizes the review and testing of the procedures rather than the verification of the output. Because computers are reliable and consistent tools, they provide, when properly programmed, reliable systems. For that reason in the through-the-computer approach, there has been a de-emphasis on the testing of records and a greater concentration on testing the system that produces the records.

One technique in auditing through-the-computer is processing test data under the auditor's control with the agency's programs. The test data approach is implemented by preparing machine-readable data designed to simulate every type of transaction and to test the agencies' programs and data controls. The test data can be introduced in whatever form is appropriate for the system under consideration. The auditor must design the test data in a manner that will assure that the system of controls is properly tested. This means that both valid and invalid conditions would be included in the test data in order to provide a complete test of the system's control.

The term "auditing through-the-computer" is also used to describe the technique in which the computer is used to examine, or select records from the agencies' or audit entities' data itself. Thus, while the emphasis of auditing through the computer rests on testing the system, a broader definition would include all techniques that use the computer, both those that test the system and those that test the auditor's data.

For a while it was feared that the audit trail would disappear and consequently the auditor would find it necessary to test the system by some means other than the traditional review process. This concern was somewhat exaggerated, for although the form of the audit trail has changed, the trail itself still exists. This is because procedures required to provide an ability to establish the relationship between the transaction and its resultant effect on the operating system are as important to management as they are to the auditor. In fact, these procedures are increasingly referred to as management trails. This does not mean, however, that there is not good reason to use the computer and the through-the-computer approach to auditing, but the justification for using the computer comes from the need to conduct an audit economically and efficiently rather than from the inability to trace the data because of the disappearance of the audit trail.

In those instances where the auditee's records involve large volumes of transactions and large

printouts, the auditor should take advantage of an efficient tool to give him access to an appropriate proportion of the auditee's records within a reasonable period of time. On the other hand, in those instances where the normal processing procedures provide complete printouts of the information with which the auditor is concerned, there is no reason why the auditor should not make use of the printed data. In planning the audit, the auditor should determine when audit purposes will be best served by testing the system and the circumstances when the evaluation will be best accomplished by examining the data. At the same time, he or she must decide when to use the computer and when not to use the computer, either to test the processing system or to test the auditee's data.

For each audit, procedures should be selected that will best accomplish the basic audit plan developed. The evaluation of internal control involves examination of documentation, interviews and observation of all non-computerized or manual techniques. In addition, however, the auditor can use the computer to run test transactions through the system to test the actual operation of the programs and control systems. In testing transactions, the auditor can trace data from input records through intermediate

records to the final records or, if appropriate, can choose to use the computer to select and help test the transactions.

Summary

Computers have changed the audit environment, but not the professional responsibilities of the auditor. The principles of auditing remain unchanged and the auditor must still exercise professional judgment and render an opinion on the agency or program under review. Proper attention to professional responsibilities requires new skills and the ability to handle, understand, and use data processing facilities.

If the auditor is to master the capabilities as well as the complexities of the computer, it can be used to accomplish traditional audits more quickly and to extend investigations to areas that are extremely helpful to the examination that may have previously been impractical because of cost and time limitations. The computer represents a very powerful tool and can be used to enhance the auditor's judgment and decision making abilities. Kept in the proper perspective, the computer can be used to explore and develop new opportunities in audit approaches. □

DEADLINE

Material for consideration for publication in the next issue of PULSE should be submitted to The Editor by November 15, 1977.

YOU'RE THE BOSS OF YOUR TIME

—Joseph A. Manzione

My brother flies a Boeing 727 for an airline which advertises: "You're the boss!" I thought of that slogan as I began to set down a few thoughts about using time. You really are the boss of how you spend your time.

The mark of good auditing work is timeliness. And the hallmark of a good auditor is his ability to make the best use of his time. Time is the medium through which an auditor exercises that commodity for which he was hired—his auditing and analytical ability; in short, his brain.

Let's recognize there are certain uncontrollable elements in the use of time. Sometimes, maybe most of the time, you have to do what others want you to do. When you take a job, you realize you give up some freedom of choosing how to spend your time. And perhaps your employer decides you should spend time in Atlanta rather than San Francisco. But outside of rather restricted perimeters, you are the boss of how you spend time. Here are a few thoughts that you might find helpful. You could:

- Learn the range of those choices where you are free to decide how to use time. Perhaps the decision to perform an audit is not yours, but the method of doing is. Why worry then whether or not to do the audit. Make your decision on how it will be done and do it.

Most people make decisions based on habit, demands of others, default, or simply the spur of the moment. If you are not satisfied with the basis for your decisions, sit down, do a little paperwork, and plan. You may want to develop several ways to reach some goal. And use those areas where you are free to make a choice to make decisions wisely.

- Keep several projects going at one time. Most of the tasks we do are routine, and even boring. Make an effort to find those things that can be done in conjunction with others. Save time here and you can do some of the things you want to do.
- Learn which projects are important. Establish some priorities. If you are a supervisor, delegate authority to free you from tasks that you personally need not do.

We should focus here on what some call the 80/20 rule. The rule says:

If all items are ranged in order of value, 80 percent of the value would come from only 20 percent of the items, while the remaining 20 percent of the value would come from 80 percent of the items.

The 80/20 rule says that if you have ten tasks to perform, doing two of them will give you 80 percent of what you wish to accomplish. Learn which ones they are and do them. They are much more important than the other eight.

Perhaps a word here about perfectionism. Perfectionism is only worth striving for if 80 percent of the effort comes from the last 20 percent of effort. For example, if you were in the dam building business, you would want to finish construction of a dam; but you may not want to recheck a low-priority letter for typing errors.

- Leave some things undone. I had a boss once who judged the effectiveness of his staff by how neat they left their desks after work. Certainly desk-neatness is not the highest priority task (unless you worked for my former boss). However, I guess we all like things that can be measured, and cleaning up a desk can be. Some important things can't be measured. You have to make the decision. The best use of your time, once in a while, may be to take a work break, and renew yourself.
- Stop writing memoranda. I had another boss who wrote notes all over the incoming mail and put them right in the out box. He turned out a terrific volume of paperwork, but it was effective. Just write on your incoming paper! "yes" or "no", or "Joe—handle"—then let it go.
- One time-consultant has posed the question: "What is the best use of my time *right now*?" I guess it all boils down to that. You should ask and answer that question if you want to boss time. Keep asking that question.
- Don't waste your time regretting failures and feeling guilty about what you didn't do. "Satchell" Paige said it as succinctly as anyone: "Don't look back; something may be gaining on you."

JOSEPH A. MANZIONE is an Assistant Regional Director, Southeast Region, Atlanta, Ga.

OPERATIONAL AUDIT GUIDE

—Russell E. Aiken

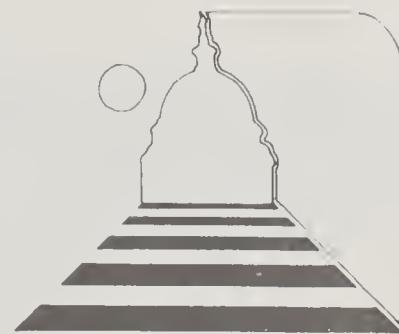
When performing operational audits we are continually faced with the problems of what to do and what to ask operating personnel. Assuming that the auditor has a clear understanding of his objective, the following points, considered in conjunction with a sufficiently large review of records and supporting document discussions with auditee personnel and observations, would provide adequate audit coverage of almost any individual segment of an operation which an auditor may be confronted with.

	is involved?
	Agency, Departmental, or legal requirements govern?
	can be done so that top management can better utilize it?
WHAT	internal controls are present and needed?
	basic data is used to perform the function?
	time studies, work measurement, or other reviews have been made of the operation?
	are the criteria for successful accomplishment?
WHY	is it done - is it needed at all?
	is it done?
	can it be improved—combined, streamlined, automated?
HOW	often is it done—should it be done less or more frequently?
	many copies are made—are they needed and used?
	is time spent on operation recorded—is it accurate, based on factual data, used?
	does it fit in with purpose of organizational segment being reviewed?
	is involved—is it worth looking into?
HOW MUCH	is it costing—can it be done cheaper by other methods—do the results justify the cost?
	is it done—could preparatory work be done during slack periods?
WHEN	is it due—has it been completed timely or is there a trend of tardiness?
	is basic data due—is it received timely, in good form, etc?
	is it needed—is it due at a time when it can be most effectively used?
	is it done—can it be done cheaper elsewhere?
WHERE	does basic data come from to perform operation—is it needed, received too frequently or infrequently, in the best form?
	does it—are there too many or too few people working on it?
	else is involved?
WHO	is it sent to—do they need it?
	can use it that doesn't get it?
	reviews the product or data—is the review adequate?
	does it—are the people qualified to do the work?
	does it—can the job be restructured so lower-grade people can do part or all of the job?



RUSSELL E. AIKEN is an Assistant Regional Director, Southwest Region, Temple, Texas.

FOL TRACK



"There is no career ladder called leadership. The contributors of our socially significant decisions most often achieve their sway by first climbing the ladder of their chosen specialty . . . "We have a preference," said Arthur Koestler in *The Anatomy of Snobbery*, "for people who are likely to leave their imprint on our time . . . To be oneself is not enough; one must be 'somebody'."

"The somebodies of the future will bear little resemblance to the contemporary caricature of the Establishment . . . The coming Establishment will contain all kinds of people, many not tapped by others but self selected . . . There are still too many ethnic, economic, and regional exceptions, but the future-oriented rule is that anybody can be a somebody, if he or she has the talent and is willing to work at it."

—The Future Executive
by Harlan Cleveland

"I become steadily more persuaded that perhaps the greatest disparity between objective reality and managerial perceptions of it is an underestimation of the potentialities of human beings for contributions to organizational effectiveness. These potentialities are not merely for increased expenditure of effort on limited jobs (although such potentialities do exist) but for the exercise of ingenuity, creativity in problem solving, acceptance of responsibility, leadership in the relational sense, and development of knowledge, skill and judgment. When opportunities are provided under appropriate conditions, managers are regularly astonished to discover how much more people contribute than they had believed possible."

—The Professional Manager
by Douglas McGregor

"Responsibility built into the work force from top to bottom is needed, above all, to reverse the erosion of management authority which is a threat to the functioning of management and of our institutions altogether. Carrot and stick no longer suffice. But nothing has truly taken their place. As a result there is an authority vacuum. It is most noticeable among the knowledge workers in business, in the government agency, and in the other service institutions. Its symptom is cynicism—a more dangerous disease than rebellion against authority. The only way to counteract it and to restore management's authority is to *demand responsibility of each member of the work force.*"

—Management
by Peter F. Drucker

"The primary prerequisite of participative management is that the people must be knowledgeable enough to contribute. Untrained, summer hires require direction in most of what they do; knowledgeable professionals are insulted by any attempt at detailed direction of their work. Participative styles have been shown to be most effective when the people in the group have relatively equal capability. When the range of capability is wide, the more able people tend to dominate and the de facto result is only limited participation."

—Situational Management
by Howard M. Carlisle

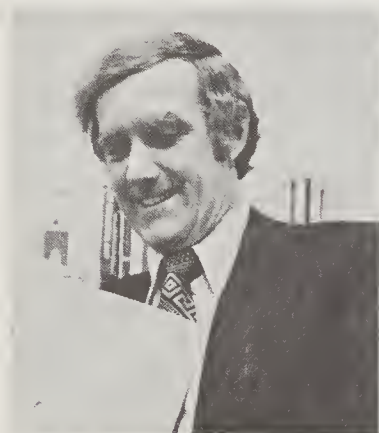
"Exploration of the full range of his own potentialities is not something that the self-renewing man leaves to the chances of life. It is something he pursues systematically, or at least avidly, to the end of his days. He looks forward to an endless and unpredictable dialogue between his potentialities and the claims of life—not only the claims he encounters but the claims he invents. And by potentialities I mean not just skills, but the full range of his capacities for sensing, wondering, learning, understanding, loving and aspiring."

—Self-Renewal
by John W. Gardner

SPOTLIGHT



Entering the spotlight are a few of OA's finest. Some are old faces in new slots; some are new faces in old slots; and some are new faces in new slots. They reflect the vitality of the organization and have much in common: enthusiasm in facing a new challenge; willingness to be involved; and readiness to tackle any job, any place. A reading of the bio-sketches will surprise you at the wealth of added expertise they possess—from how to barter with bubble gum to driving a fire truck or patrolling a city.



Bob Miller

ROBERT E. MILLER

According to Bob, he sacrificed a career in major league baseball as a shortstop for the St. Louis Cardinals to fulfill his destiny as a leader in OA. (You won't find any mention of this in any of the major league baseball records.) It's probably just as well as there are too many Millers in baseball already. A native of York, Pennsylvania, he has spent some time in the Navy and has been with OA since its inception. In order, he has moved from Harrisburg, Pennsylvania (Supervisory Auditor), to New York (Assistant Regional Director), to Hyattsville, Maryland (ARD) to this present position of Assistant Director, Operations in Headquarters. At the tender age of 44, he already boasts three grandchildren. □

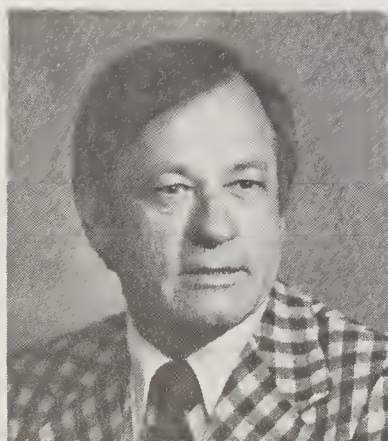
PHYLLIS V. WHITEHURST

Armed with oriental rugs from all over Europe and Asia; a belt worn by a high ranking member of the Russian navy (traded for bubble gum); beer mugs from the Oktoberfest in Munich, Germany; rare jewelry from Africa, Turkey and India; and a hang-over from the Bad Durkhiem Wine and Sausage Fair, Phyllis Whitehurst has completed her trousseau and returned to the Office of Audit. While serving as the Chief, Audit Branch at the U.S. Army Corps of Engineers, European Division in Frankfurt, Germany for the past three and a half years, she traveled for business and pleasure throughout all of Europe, as well as Czechoslovakia and the USSR. She became so familiar with places like Paris, Amsterdam, and London that she even served as a tour guide.

Prior to that "dull" tour in Frankfurt, she worked as an auditor in the OIG New York and Hyattsville regions. She can now be found in beautiful, quaint, and picturesque downtown Washington, D.C. at OA headquarters. Where else but in the Quality Control and Liaison Division could her tremendous talents be utilized and her lust for unusual travel assignments be fulfilled? Her new job will involve making inspections of OA regions. □



Phyllis Whitehurst



Mike Pappas

MIKE PAPPAS

Mike attended three universities before he found one that would give him a degree. And then it was the wrong one. So, on to Baylor University for—a degree in accounting. Sandwiched in between all this education, he spent four years in and about Korea with the U.S. Navy. Sandwiched into his career with OA was a six month stint with HUD's Office of Audit in Fort Worth, Texas. Before taking on his present job (Assistant Regional Director in Denver, Colorado) he ran sub-offices in Albuquerque, New Mexico and Alexandria, Louisiana and spent about three years on the Operations staff in Headquarters. As avid an outdoorsman as he is, he gave up fishing for the Colorado winter (too much ice) and skiing (no snow). He recently spent a week golfing in Mexico with two OA compatriots but refused to discuss any of the details. He continues doing some fancy footwork to keep from being involved in wife Carol's newly established drapery business. □

WILLIAM C. MONTONEY

Bill traded his Navy blues for a Blue Knight's uniform to become what in today's terms is called a local Smokie in his hometown of Columbus, Ohio. Tiring of chasing speeders and walking a beat, he transferred to the Juvenile Bureau where he worked the night shift while attending college during the day. He started his audit career with the General Accounting Office in Washington, D.C., transferring to O.I.G. in 1969. From Columbus, Ohio, where he was the Supervisory Auditor, he moved to Atlanta as an Assistant Regional Director and then into Headquarters as a Division Director. Bill says that auditors and policemen have at least one thing in common—"They both are as welcome as a fox in the hen house." □



Bill Montoney



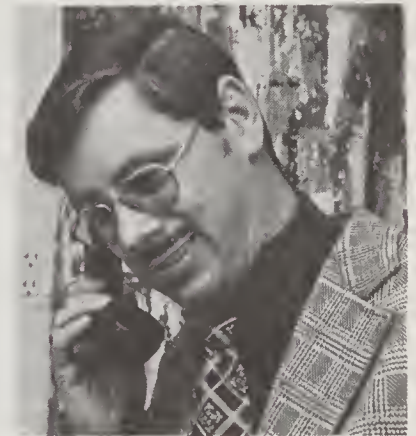
Al Clepper

ALBERT L. CLEPPER

Al spent 10 years in the pursuit of several careers before discovering auditing. Starting in 1959 as a forester with the U.S. Forest Service in Northern California, he was at times a timber cruiser, surveyor, and firefighter. Also, as supervisor of a San Quentin prison labor camp, he had early training in the "behavioral sciences" field. Later, in Southern California, he administered various types of real estate leases and attempted to be a Ski Ranger. By 1964, Al was at the New York Worlds Fair—not a visitor but as a project manager. There he picked up an instant education in accounting from overexposure to the CPA firm. Al rejoined the Forest Service in 1967 and requested detail to the Office of Inspector General. In 1970 he elected to stay with OIG and completed tours of duty in Hyattsville, Md. and Washington, D.C. He transferred to his present position in 1976 (ARD, San Francisco). A graduate of Penn State University, he is a member of the Society of American Foresters, the American Forestry Association and also a Certified Internal Auditor. □

RICHARD L. LONG

To ask Dick how many states there are in the Union is a big mistake. The answer: "One—West Virginia." (Ask him anything else and you usually get a rational answer.) The "Almost Heaven" native's loyalty reaches right down to his three year old's tricycle which bears the bumper sticker "If You Love W. Va., Honk Your Horn." After graduating from Concord College (in you know where), he joined OIG (1965). Twelve years later, he has made it to Assistant Regional Director (Northeast Region). Four of those years he spent in Vietnam where, when he wasn't ducking and dodging something or other, he managed a number of sensitive and highly complicated audits. In addition to Vietnam (where he adopted a Vietnamese boy) he has been to India, Hong Kong, Thailand, Bangladesh, Pakistan, Europe, and South America. His wife claims that he has traveled so much he still suffers from jet lag (that's what Dick calls it). Part-time farming heads his list of hobbies. □



Dick Long



Warren Seitz

WARREN A. SEITZ

The Office of Audit is the sixth Governmental organization that Warren has worked for since 1962. He has progressed from Electrical Engineer (as a student trainee) to Computer Technician, to Computer Programmer, to Computer Systems Analyst to Computer Specialist, to the position he now occupies within OA. About all that's left, he says, is to become a computer itself. However, since his is reluctant to part with his moustache, he is probably not destined to make that transformation. □



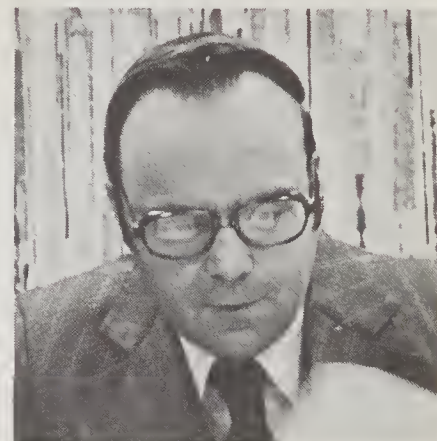
Joe Fisch

JOSEPH FISCH

A graduate of Scranton University located in his native state of Pennsylvania, Joe was torn between a career as a starving actor or one where he knew he would eat regularly. As heavy as Joe is today, it's good he didn't choose acting. He has been with OIG/OA since 1963 (he had a two year (1974-1976) hiatus with the Office of Operations, Printing Services Division), and has traveled extensively in the Northeast and Midwest managing a number of sensitive audits. Now a Division Director in Headquarters, Operations, we find he has become an avid "Barbershopper" and belongs to S.P.E.B.S.Q.S.A., Inc. This society must have the longest acronym in the world. (If you really must know, it stands for "The Society for the Preservation and Encouragement of Barber Shop Quartet Singing in America, Incorporated.") □

HUBERT SPARKS

Brooklyn born Hubie still feels a tingle every time he hears the sound of a fire engine. He drove one for the Forest Service in California during the summers of the years he attended the College of the City of New York. He has also turned a hand as a construction laborer—whenever he was broke—in Illinois, Florida, and New York. With OIG/OA since 1963, he has lived and worked in West Virginia, New Hampshire, New York, Pennsylvania (headed up Harrisburg suboffice as a Supervisory Auditor), Maryland (Assistant Regional Director, NER), Vietnam, and Washington, D.C. Now a Division Director, Operations, in Headquarters, he numbers among his interests: "destroying home through fix-up work," "wasting money," "changing residences," and "reviewing reports." He admits to one good habit—"don't smoke"—but when asked about bad habits, "no comment." □



Hubie Sparks



George Cavanaugh

GEORGE M. CAVANAUGH

George claims to have fought the Korean War—from far atop an office building overlooking the city of Tokyo, Japan. After four years in the Air Force, he decided not to make it a career and returned to his native Pennsylvania. He went to work for an engineering firm at the site of a multi-million dollar construction project for a steam-generating plant for an electric company. Following a number of similarly important jobs, he settled into more permanent employment at an Army Depot where he progressed to a Management Analyst. In his spare time he managed to earn a B.S. in accounting at the University of Scranton. In 1966 he joined OIG in Harrisburg, Pennsylvania. Now in Headquarters, Operations, George was previously a Supervisor in the former New York City Regional Office and in Harrisburg, Pennsylvania. □

JOHN J. JACKSON

J.J. claims that there is not too much to say about him because he has led a good, clean life. In Creighton, Nebraska, he helped his father run a dairy and a hardware store. He's been a fast food cook and has worked for a tire company—the one with the blimp. He's been battered about both in civilian and military life. He almost became an ex-supervisor of the detonator assembly line in an ammunition plant when he was blown out of the building; in the European Theatre of Operations (WWII) he received two Purple Hearts. After 13 years as an auditor and supervisory auditor (Western Region) and five years on the Operations staff in Headquarters, he was promoted to Assistant Regional Director, Midwest Region (November 1976). □



J.J. Jackson

PERSPECTIVE



FIRST YEAR IMPRESSIONS

DARRELL E. FLEMING

Deputy Director

It has been just a little over a year since I walked into room 403-E as your new Deputy Director. Now that the newness has worn off, I would like to share with you some of my observations and opinions.

I'm not sure just what I expected. As you know, the Federal audit "community" is a very opinionated group. I had heard all the good and the bad of the new organization I was about to join.

My first impressions came from my early visits to Regions and Suboffices. They were reinforced during later visits and meetings with many of you. I have also had the opportunity to review much of your work and see you in action at audit seminars and management sessions.

I feel that my 20 year's association with members of nearly every Federal audit organization qualified me to make an opinion on OA—I am *thoroughly impressed!*—I'm impressed with the total organization, the programs, and the objectives. But, most of all, I'm impressed with the people who make up OA and their accomplishments.

It was difficult for me to comprehend the number, complexity, and diversity of Agriculture programs. You have obviously met the challenge of auditing these programs. You have also proven your value to the Department by improving the efficiency and effectiveness of USDA operations. I'm sure that part of your success is attributable to your acceptance and application of the many new advanced audit techniques that abound in our profession. It is obvious too that you work hard at gaining the confidence and cooperation of those you audit. In short, it looks to me like we have a lot of very intelligent and dedicated auditors in OA. I am also aware that the demands have been heavy on you and your families.

It doesn't stop with the auditors either. The professional staffs of the secretarial and administrative forces are outstanding. I have been highly impressed with your positive "will do" attitudes.

I would say a lot more about leadership, flexibility, mobility, attitudes, etc., but it really comes down to one word—Professionalism—at all levels. (Incidentally, one-half of our employees belong to professional organizations, and about 100 are either CIA's or CPA's.)

Words for the future? That's easy: (1) keep up the good work; (2) keep your eye on the end product, always striving for excellence; and (3) never let up on professional development and involvement.

I'm proud to be a member of the OA team and I appreciate all the fine support you have given me. I look forward to a long association with you. Please drop by my office and say "hello" when you're in Washington. □

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